

Exhibit H – Interconnection Service Agreement

Attachment 3:

Attachment 3a: Costs of Distribution System Modifications Re-Study and Cost-Allocation, Third Party Costs, and Payment Terms (Distribution)

At present, System Modification Costs associated with this application are: **\$285,700** +/- 25% and itemized as follows:

National Grid System Modification	Conceptual Cost +/-25% Planning Grade Cost Estimate not including Tax Liability				Associated Tax Liability Applied to Capital	Total Customer Costs includes Tax Liability on Capital Portion
	Pre-Tax Total	Capital	O&M	Removal		
Narragansett Electric Company Line Work, Customer Property					11.08%	Total
Equipment at Point of Common Coupling.	\$186,981	\$186,981	\$0	\$0	\$20,717	\$207,698
POI Pole and Existing Service Modification.	\$26,950	\$22,860	\$710	\$3,380	\$2,533	\$29,483
SUBTOTAL	\$213,931	\$209,841	\$710	\$3,380	\$23,250	\$237,181

Narragansett Electric Company Substation Work (Distribution Level)	Pre-Tax Total	Capital	O&M	Removal	9.94%	Total
	Substation modifications for 3V0. See Note 1.	\$37,525	\$35,150	\$2,375	\$0	\$3,494
SUBTOTAL	\$37,525	\$35,150	\$2,375	\$0	\$3,494	\$41,019

Witness Testing & EMS	Pre-Tax Total	Capital	O&M	Removal	NA	Total
	Witness Testing.	\$2,500	\$2,500	\$0	NA	NA
EMS integration.	\$5,000	\$5,000	\$0	NA	NA	\$5,000
SUBTOTAL	\$7,500	\$7,500	\$0	\$0	\$0	\$7,500

	Pre-Tax Total	Capital	O&M	Removal	Tax	Total
Totals	\$258,956	\$252,491	\$3,085	\$3,380	\$26,744	\$285,700

Note 1: Total cost of common system modifications (NECO) at the transmission side of the [redacted] Substation as mentioned above is \$395,000 (includes capital, removal, and O&M costs). The cost for this modification will be shared on a pro-rata basis with RI-[redacted], RI-[redacted], RI-[redacted], RI-[redacted], RI-[redacted] will be responsible for 9.5% or \$37,525.

A 2019 tax rate of 11.08% is expected to apply to contributions in aid of construction (“CIAC”) payments received by The Narragansett Electric Company from the Interconnecting Customer, and a 2019 tax rate of 9.94% is expected to apply to CIAC payments associated with substation modifications for interconnections. The calculation of the tax gross-up adder is included in this cost estimate on the basis of tax guidance published by the Internal Revenue Service, but tax rates and decisions are ultimately subject to IRS discretion. By signing this agreement, the Interconnecting Customer understands and agrees that the tax has been estimated for convenience and that the Interconnecting Customer remains liable for all tax due on CIAC payments, payable upon the Company’s demand.

The system modification costs were developed by the Company with a general understanding of the project and based upon information provided by the Interconnecting Customer in writing and/or collected in the field. The cost estimates were prepared using historical cost data, data from similar projects, and other assumptions, and while they are presumed valid for 60 business days from the date of the Impact /Group Study, the Company reserves the right to adjust those estimated costs as authorized under this Agreement, the Tariff, or by law and to require the Interconnecting Customer to pay any such additional costs. The system modifications estimates considered the following assumptions:

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- [insert for work including installation of second circuits or reconductoring] For XXX portion of the scope, the estimates considered that XX% of the poles and structural equipment needs to be replaced. Actual replacement costs could be higher/lower than estimated and would be accounted for during reconciliation. Additional structural replacements can affect traffic protection and pole petition efforts.
- Traffic protection was assumed to include XX hours. Actual traffic protection costs could be higher/lower than estimated and would be accounted for during reconciliation.
- [insert for overhead work that involves new pole sets] Town petitions are required for each new pole set along town roadways. The costs to complete the pole petitions are included in labor costs and are not estimated separately. Higher than typical costs can occur for extended or repeat town hearing efforts. If higher costs occur, they would be accounted for during reconciliation.
- [insert for non-construction related permits] The estimates include costs to obtain XXX permits. The costs are based on typical times to obtain such permits. If higher costs occur, they would be accounted for during reconciliation.
- [insert for underground civil construction] The estimates considered XXX repaving scope. External parties can sometimes require a different repaving scope closer to construction dates. If higher costs occur, they would be accounted for during reconciliation. Additional repaving scope can also affect traffic protection requirements.
- [insert for underground civil construction] The estimates considered XXX% of ledge along the underground route. If lower/higher costs occur, they would be accounted for during reconciliation. Additional ledge scope can also affect traffic protection and repaving requirements.
- [insert for underground civil construction] The estimates considered XXX number of existing utility crossings. Additional or differing existing utilities can be encountered during construction. If lower/higher costs occur, they would be accounted for during reconciliation. Additional utility crossings can affect traffic protection, ledge scope, dewatering, and repaving requirements.
- [insert for underground civil construction] The estimates considered XXX hours for dewatering. If lower/higher dewatering costs occur, they would be accounted for during reconciliation. Additional dewatering scope can also affect traffic protection requirements.
- No specific estimate assumptions have been made for weather including major weather events.
- No specific estimate assumptions have been made for customer delays or customer acceleration requests. These requests, typically to meet end of year dates, can sometimes create additional costs due to overtime and other labor impacts. If higher costs occur, they would be accounted for during reconciliation.

The Total System Modifications Costs and the Facility System Modification Costs do not include any costs for Third Party Rights and Approvals (as defined in Attachment 2) or any Verizon system modification costs and charges (and fees for services related thereto), for which the Interconnecting Customer may be directly responsible. These costs, to the extent applicable, are in addition to the Total System Modifications Costs and the Facility System Modification Costs and must be paid directly by the Interconnecting Customer to the appropriate third party

Additional costs may be involved if the required pole work takes place in Telephone Company Maintenance Areas. These costs will be billed directly to the Interconnecting Customer from the Telephone Company.

The Interconnecting Customer is financially responsible for the any possible charges that may occur for the new service request under the construction [REDACTED]

Payment Terms:

System Modifications Costs may be paid in full if less than \$25,000, or if greater than \$25,000 in scheduled payments (per Section 5.5 of R.I.P.U.C No. 2180):

- The first payment (25%) of **\$71,425.00** is due when the Exhibit H-Interconnection Service Agreement is returned to the Company with Interconnecting Customer signature. The invoice, including payment instructions, will be sent to the Interconnecting Customer. Proof of payment is required.
- The second and final payment (75%) of **\$214,275** is due within 15 business days from the receipt of the second and final payment invoice. The second and final invoice will be sent when Rhode Island Energy reaches that point in design when long-lead time material items are ready to be ordered, estimated to be on or around 03/06/2023. An invoice, including payment instructions, will be sent to the Interconnecting Customer.

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If the design of the System Modifications changes during the design as a result of permitting or access issues, the company reserves the right to adjust the cost of the Systems Modifications prior to issuing the second and final invoice.

A more detailed breakdown of estimated costs may be found within the System Impact Study dated 9/26/2022.

The physical construction of system modifications will not commence until full payment is received. Nothing herein shall prevent the Interconnecting Customer from making any payment, or the full payment, due to the Company earlier than the dates provided above. Funds received may be immediately expended or committed as determined by the Company in its sole discretion.